

1 CABINET FOR HEALTH AND FAMILY SERVICES

2 Department for Medicaid Services

3 Division of Policy and Operations

4 (Amendment)

5 907 KAR 1:626. Reimbursement of dental services.

6 RELATES TO: KRS 205.520, 42 C.F.R. 440.100, 447.200-205, 42 U.S.C. 1396a-d

7 STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3)

8 NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family  
9 Services, Department for Medicaid Services, has the responsibility to administer the  
10 Medicaid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation,  
11 to comply with any requirement that may be imposed or opportunity presented by feder-  
12 al law to qualify for federal Medicaid funds~~[for the provision of medical assistance to~~  
13 ~~Kentucky's indigent citizenry]~~. This administrative regulation establishes the reimburse-  
14 ment policies and requirements for covered dental services provided to a Medicaid re-  
15 cipient who is not enrolled with a managed care organization~~[method for determining~~  
16 ~~the amount payable by the cabinet for a dental service]~~.

17 Section 1. Definitions. (1) ~~["Comprehensive orthodontic procedure" means a~~  
18 ~~medically necessary dental service for a dentofacial malocclusion which requires the~~  
19 ~~application of braces for correction.~~

1       ~~(2)~~] "Current Dental Terminology" or "CDT" means a publication by the American  
2 Dental Association of codes used to report dental procedures or services.

3       ~~(2)~~~~[(3)]~~ "Debridement" means a procedure that is performed:

4       ~~(a)~~ For removing thick or dense deposits on the teeth which is required if tooth  
5 structures are so deeply covered with plaque and calculus that a dentist or staff cannot  
6 check for decay, infections, or gum disease; and

7       ~~(b)~~ Separately from a regular cleaning and is usually a preliminary or first treatment  
8 when an individual has developed very heavy plaque or calculus.

9       ~~(4)~~] "Department" means the Department for Medicaid Services or its designee.

10       ~~(3)~~ "Federal financial participation" is defined in 42 CFR 400.203.

11       ~~(4)~~~~[(5)]~~ "Disabling malocclusion" means that a patient has a condition that meets the  
12 criteria established in 907 KAR 1:026, Section 13~~(7)~~.

13       ~~(6)~~] "Incidental" means that a medical procedure;

14       ~~(a)~~ Is performed at the same time as a primary procedure; and

15       ~~(b)~~1.:

16       ~~(a)~~] Requires little additional practitioner resources; or

17       2.~~[(b)]~~ Is clinically integral to the performance of the primary procedure.

18       ~~(5)~~~~[(7)]~~ "Integral" means that a medical procedure represents a component of a more  
19 complex procedure performed at the same time.

20       ~~(6)~~ "Managed care organization" means an entity for which the Department for Medi-  
21 caid Services has contracted to serve as a managed care organization as defined in 42  
22 C.F.R. 438.2.

23       ~~(7)~~~~[(8)]~~ "Manually priced" or "MP" means that a procedure is priced according to

1 complexity.

2 ~~(8)~~(9) "Medically necessary" or "medical necessity" means that a covered benefit is  
3 determined to be needed in accordance with 907 KAR 3:130.

4 ~~(9)~~(10) "Mutually exclusive" means that two (2) procedures:

5 (a) Are not reasonably performed in conjunction with one (1) another during the same  
6 patient encounter on the same date of service;

7 (b) Represent two (2) methods of performing the same procedure;

8 (c) Represent medically impossible or improbable use of CDT codes; or

9 (d) Are described in CDT as inappropriate coding of procedure combinations.

10 ~~(10)~~(11) "Prepayment review" or "PPR" means a departmental review of a claim to  
11 determine if the requirements established in 907 KAR 1:026 have been met prior to  
12 authorizing payment.

13 ~~(12)~~ "Prior authorization" or "PA" means approval which a provider shall obtain from  
14 the department before being reimbursed for a covered service.

15 ~~(13)~~ "Provider" is defined in KRS 205.8451(7).

16 (11)~~(14)~~ "Recipient" is defined in KRS 205.8451(9).

17 (12)~~(15)~~ "Timely filing" means receipt of a claim by Medicaid:

18 (a) Within twelve (12) months of the date the service was provided;

19 (b) Within twelve (12) months of the date retroactive eligibility was established; or

20 (c) Within six (6) months of the Medicare adjudication date if the service was billed to  
21 Medicare.

22 (13)~~(16)~~ "Usual and customary charge" means the uniform amount which the  
23 individual dentist charges in the majority of cases for a specific dental procedure or

1 service.

2 Section 2. General Requirements. For the department to reimburse for a dental  
3 service or item, the service or item shall be:

4 (1) Provided:

5 (a) To a recipient; and

6 (b) By a provider who meets the conditions of participation requirements established  
7 in 907 KAR 1:026;

8 (2) Covered in accordance with 907 KAR 1:026;

9 (3) Medically necessary; and

10 (4) A service or item authorized within the scope of the provider's licensure.

11 Section 3. Reimbursement. (1) Except as established in Section 4 or 5 of this  
12 administrative regulation, reimbursement for a covered service shall be the lesser of  
13 the:

14 (a) Dentist's usual and customary charge;

15 (b) Reimbursement limits specified in this section [~~Sections 3 and 4~~] of this  
16 administrative regulation;

17 (c) Manually-priced amount; or

18 (d) Amount established on the DMS Dental Fee Schedule [~~Prior authorized fee~~].

19 (2) If a rate has not been established for a covered dental service, the department  
20 shall set an upper limit for the procedure by:

21 (a) Averaging the reimbursement rates assigned to the service by three (3) other  
22 payer or provider sources; and

23 (b) Comparing the calculated average obtained from these three (3) rates to rates of

similar procedures paid by the department.

(3) If cost sharing is required, the cost sharing shall be in accordance with 907 KAR 1:604.

(4) For a service covered under Medicare Part B, reimbursement shall be in accordance with 907 KAR 1:006.

(5) A service which is not billed within timely filing requirements shall not be reimbursed.

(6) If performed concurrently, separate reimbursement shall not be made for a procedure that has been determined by the department to be incidental, integral, or mutually exclusive to another procedure.

~~Section [3. Reimbursement Rates for Dental Services. (1) The following maximum upper limits for reimbursement shall apply for a service provided to a recipient under twenty-one (21) years of age:~~

Kentucky Medicaid Dental Services		
Description	Upper Limit	Authorization Requirement
<del>Diagnostic Procedures</del>		
<del>Limited oral evaluation (trauma related injuries or acute infection only)</del>	<del>\$33</del>	<del>PPR required</del>
<del>Comprehensive oral evaluation</del>	<del>\$26</del>	<del>-</del>
<del>Intraoral complete series</del>	<del>\$63.70</del>	<del>-</del>
<del>Intraoral periapical, first film</del>	<del>\$10.40</del>	<del>-</del>

Intraoral periapical, each additional film	\$7.80	-
Bitewing, single film	\$9.10	-
Bitewing, 2 films	\$18.20	-
Bitewing, 4 films	\$29.90	-
Panoramic film	\$39	PA required for ages 5 and under
Cephalometric film	\$61.10	-
Preventative Procedures		
Prophylaxis	\$48.10	-
Sealant per tooth (ages 5-20)	\$19.50	-
Space maintainer, fixed unilateral	\$135.20	-
Space maintainer, fixed bilateral	\$262.60	-
Space maintainer, removable unilateral	\$134	-
Space maintainer, removable bilateral	\$202	-
Restorative Procedures		
Amalgam, 1 surface	\$49.40	-
Amalgam, 2 surfaces	\$65.00	-
Amalgam, 3 surfaces	\$76.70	-

Amalgam, 4 or more surfaces	\$93.60	-
Resin, 1 surface, anterior	\$57.20	-
Resin, 2 surfaces, anterior	\$71.50	-
Resin, 3 surfaces, anterior	\$85.80	-
Resin, 4 or more surfaces, anterior	\$101.40	-
Resin, 1 surface, posterior	\$57.20	-
Resin, 2 surfaces, posterior	\$71.50	-
Resin, 3 surfaces, posterior	\$85.80	-
Resin, 4 or more surfaces, posterior	\$101.40	-
Prefab stainless steel crown primary	\$119.60	-
Prefab stainless steel crown permanent	\$133.90	-
Prefab resin crown	\$113.10	-
Pin retention, per tooth, in add. to restoration	\$13	-
Endodontic Procedures		
Pulp cap direct	\$17	-
Therapeutic pulpotomy	\$67.60	-

Root canal therapy anterior	\$274.30	-
Root canal therapy bicuspid	\$344.50	-
Root canal therapy molar	\$481	-
Apicoectomy anterior	\$201.50	-
Apicoectomy, bicuspid first root	\$201.50	-
Apicoectomy, molar first root	\$201.50	-
Replace missing or broken tooth on denture	\$40.30	-
Apicoectomy, per tooth each additional root	\$197	-
Periodontic Procedures		
Gingivectomy, gingivoplasty per quadrant	\$336.70	PPR required
Gingivectomy, gingivoplasty per tooth	\$135.20	PPR required
Periodontal scaling and root planing per Quadrant	\$101.40	PA required
Full mouth debridement	\$68.50	Pregnant women only
Removable Prosthodontic Procedures		
Repair resin denture base	\$61.10	-
Repair cast framework	\$97.50	-

Replace broken teeth, per tooth on a denture	\$36.40	-
Reline complete maxillary denture	\$128.70	-
Reline complete mandibular denture	\$128.70	-
Interim partial upper	\$319.80	-
Interim partial lower	\$336.70	-
Maxillofacial Prosthetic Procedures		
Nasal prosthesis	\$2,036	-
Auricular prosthesis	\$1,881	-
Facial prosthesis	\$3,408	-
Obturator (temporary)	\$1121.90	-
Obturator (permanent)	\$1,992	-
Mandibular resection prosthesis	\$1,660	-
Speech aid-pediatric (13 and under)	\$2,036	-
Speech aid (14 – 20)	\$2,036	-
Palatal augmentation prosthesis	\$1,550	-
Palatal lift prosthesis	\$1,836	-

Oral surgical splint	\$896	-
Unspecified maxillofacial prosthetic procedure	MP	PPR required
Oral and Maxillofacial Surgery Procedures		
Extraction, deciduous tooth	\$49.40	-
Extraction, erupted tooth or exposed root	\$49.40	-
Surgical removal of erupted tooth	\$93.60	-
Removal of impacted tooth (soft tissue)	\$127.40	-
Removal of impacted tooth (partially bony)	\$179.40	-
Removal of impacted tooth (completely bony)	\$215.80	-
Removal of impacted tooth (comp. bony or unusual)	\$222.30	-
Removal of torus palatinus (maxillary arch)	\$302.47	
Removal of torus mandibularis (lower left quadrant)	\$209.28	
Removal of torus mandibularis (lower right quadrant)	\$209.28	

Surgical access of an unerupted tooth	MP	PPR required
Surgical removal of residual tooth roots	\$107.90	-
Oroantral fistula closure	\$135.20	-
Alveoplasty in conjunction with extraction per quadrant	\$101.40	-
Alveoplasty not in conjunction with extraction per quadrant	\$101.40	-
Excision of benign lesion	\$87.10	-
Incision and drainage of abscess (intraoral)	\$67.60	-
Incision and drainage of abscess (extraoral)	\$80.60	-
Removal of foreign body	\$201.50	-
Temporomandibular splint therapy	\$424	PA required
Suture of recent small wound	\$67.60	-
Frenulectomy	\$167.60	-
Orthodontic Procedures		
Removable appliance therapy	\$362	PA required
Fixed appliance therapy	\$259	PA required
Preorthodontic exam and	PA Fee	PA required

treatment plan		
Orthodontic treatment	PA Fee	PA required
Unspecified orthodontic procedure-final 1/3	PA Fee	PA required
Adjunctive General Services		
Palliative treatment of dental pain	\$27.30	-
Intravenous sedation	\$158.60	-
Hospital call	\$67.60	-

- 1 (2) The following maximum upper limits for reimbursement shall apply for a service
- 2 provided to a recipient twenty-one (21) years of age and older:

Kentucky Medicaid Dental Services		
Description	Upper Limit	Authorization Requirement
Diagnostic Procedures		
Limited oral evaluation (trauma related injuries only)	\$33	PPR required
Comprehensive oral evaluation	\$26	-
Intraoral complete series	\$49	-
Intraoral periapical, first film	\$8	-
Intraoral periapical, each additional film	\$6	-

Bitewing, single film	\$7	-
Bitewing, 2 films	\$14	-
Bitewing, 4 films	\$23	-
Panoramic film	\$39	
Cephalometric film	\$47	-
Preventative Procedures		
Prophylaxis	\$37	-
Restorative Procedures		
Amalgam, 1 surface	\$38	-
Amalgam, 2 surfaces	\$50	-
Amalgam, 3 surfaces	\$59	-
Amalgam, 4 or more surfaces	\$72	-
Resin, 1 surface, anterior	\$44	-
Resin, 2 surfaces, anterior	\$55	-
Resin, 3 surfaces, anterior	\$66	-
Resin, 4 or more surfaces, anterior	\$78	-
Resin, 1 surface, posterior	\$44	-
Resin, 2 surfaces, posterior	\$55	-
Resin, 3 surfaces, posterior	\$66	-
Resin, 4 or more surfaces, posterior	\$78	-
Pin retention, per tooth, in add.	\$13	-

to restoration		
Endodontic Procedures		
Apicoectomy anterior	\$155	-
Apicoectomy, bicuspid first root	\$155	-
Apicoectomy, molar first root	\$155	-
Apicoectomy, per tooth each additional root	\$197	-
Periodontic Procedures		
Full mouth debridement	\$68.50	Pregnant women only
Gingivectomy, gingivoplasty per quadrant	\$259	PPR required
Gingivectomy, gingivoplasty per tooth	\$104	PPR required
Periodontal scaling and root planing per quadrant	\$78	PA required
Maxillofacial Prosthetic Procedures		
Nasal prosthesis	\$2,036	-
Auricular prosthesis	\$1,881	-
Facial prosthesis	\$3,408	-
Obturator (temporary)	\$863	-
Obturator (permanent)	\$1,992	-
Mandibular resection prosthesis	\$1,660	-

Speech aid – Adult	\$2,036	-
Palatal augmentation prosthesis	\$1,550	-
Palatal lift prosthesis	\$1,836	-
Oral surgical splint	\$896	-
Unspecified maxillofacial prosthetic procedure	MP	PPR required
Oral and Maxillofacial Surgery Procedures		
Extraction, deciduous tooth	\$38	-
Extraction, erupted tooth or exposed root	\$38	-
Surgical removal of erupted tooth	\$72	-
Removal of impacted tooth (soft tissue)	\$98	-
Removal of impacted tooth (partially bony)	\$138	-
Removal of impacted tooth (completely bony)	\$166	-
Removal of impacted tooth (comp. bony or unusual)	\$171	-
Removal of torus palatinus (maxillary arch)	\$302.47	

Removal of torus mandibularis (lower left quadrant)	\$209.28	
Removal of torus mandibularis (lower right quadrant)	\$209.28	
Surgical access of an unerupted tooth	MP	PPR required
Surgical removal of residual tooth roots	\$83	-
Oroantral fistula closure	\$104	-
Alveoplasty in conjunction with extraction per quadrant	\$78	-
Alveoplasty not in conjunction with extraction per quadrant	\$78	-
Excision of benign lesion	\$67	-
Incision and drainage of abscess (intraoral)	\$52	-
Incision and drainage of abscess (extraoral)	\$62	-
Removal of foreign body	\$155	-
Suture of recent small wound	\$52	-
Frenulectomy	\$129	-
Adjunctive General Services		
Palliative treatment of dental	\$21	-

pain		
Hospital call	\$52	-

~~(3) A comprehensive orthodontic procedure shall be reimbursed as follows:~~

~~(a) Except as specified in paragraph (b) of this subsection, an orthodontic consultation, including examination and development of a treatment plan, \$112;~~

~~(b) The Medicaid reimbursement rate for an orthodontic consultation shall not exceed fifty-six (56) dollars if:~~

~~1. The provider determines that comprehensive orthodontic treatment services are not needed;~~

~~2. The provider is unable or unwilling to provide the needed orthodontic treatment services; or~~

~~3. Prior authorization for comprehensive orthodontic services is not approved by the department or is not requested by the provider;~~

~~(c) A service for an early phase of moderately severe or severe disabling malocclusion:~~

~~1. \$1,367 for an orthodontist; or~~

~~2. \$1,234 for a general dentist;~~

~~(d) A service for a moderately severe disabling malocclusion:~~

~~1. \$1,825 for an orthodontist; or~~

~~2. \$1,659 for a general dentist; or~~

~~(e) A service for a severe disabling malocclusion:~~

~~1. \$3,000 total for an orthodontist; or~~

2. ~~\$2,674 total for a general dentist.~~

~~(4) Reimbursement for comprehensive orthodontic treatment shall consist of two (2) payments.~~

~~(a) The first payment shall be two-thirds (2/3) of the prior authorized payment amount.~~

~~(b) The second payment shall:~~

~~1. Be one-third (1/3) of the prior authorized payment amount; and~~

~~2. Not be billed until six (6) monthly visits are completed following the banding date.~~

~~(c) The two (2) payments shall be inclusive of all services associated with the comprehensive orthodontic treatment.~~

Section] 4. Oral Surgeons. (1) A dental service that is covered by the Kentucky Medicaid Program and provided by an oral surgeon shall be reimbursed in accordance with 907 KAR 1:626 unless the given service is:

(a) Not reimbursed pursuant to 907 KAR 1:626; and

(b) Reimbursed pursuant to 907 KAR 3:010.

(2) A dental service that is covered by the Kentucky Medicaid Program and provided by an oral surgeon but not reimbursed pursuant to 907 KAR 1:626 shall be reimbursed in accordance with 907 KAR 3:010~~[Except for a service specified in 907 KAR 1:026, Section 12(8), a service provided by an oral surgeon shall be reimbursed in accordance with 907 KAR 3:010].~~

Section 5. Supplemental Payments. (1) In addition to a payment made pursuant to Section 3 ~~[Sections 2 through 4]~~ of this administrative regulation, the department shall make a supplemental payment to a dental school faculty dentist who is employed by a

1 state-supported school of dentistry in Kentucky.

2 (2) The supplemental payment shall be:

3 (a) In an amount which, if combined with other payments made in accordance with  
4 this administrative regulation, does not exceed the dentist's charge for a service that the  
5 dentist[he] has provided:

6 1. As a dental school faculty; and

7 2. For which the payment is made directly or indirectly to the dental school;

8 (b) Based on the funding made available through an intergovernmental transfer of  
9 funds for this purpose by a state-supported school of dentistry in Kentucky; and

10 (c) Made on a quarterly basis.

11 Section 6. Not Applicable to Managed Care Organizations. A managed care  
12 organization shall not be required to reimburse in accordance with:

13 (1) This administrative regulation for a service covered pursuant to:

14 (a) 907 KAR 1:026; and

15 (b) This administrative regulation; or

16 (2) 907 KAR 3:010 for a service referenced in Section 5 of this administrative regula-  
17 tion that is reimbursed by the department in accordance with 907 KAR 3:010.

18 Section 7. Federal Approval and Federal Financial Participation. The department's  
19 reimbursement for services pursuant to this administrative regulation shall be contingent  
20 upon:

21 (1) Federal financial participation for the reimbursement; and

22 (2) Centers for Medicare and Medicaid Services' approval of the reimbursement.

23 Section 8. Appeal Rights. An appeal of a department decision regarding a Medicaid

1 provider based upon an application of this administrative regulation shall be in  
2 accordance with 907 KAR 1:671.

3 Section 9. Incorporation by Reference. (1) “DMS Dental Fee Schedule”, June 2015,  
4 is incorporated by reference.

5 (2) This material may be inspected, copied, or obtained, subject to applicable  
6 copyright law:

7 (a) At the Department for Medicaid Services, 275 East Main Street, Frankfort,  
8 Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m.; or

9 (b) Online at the department’s Web site located at  
10 <http://www.chfs.ky.gov/dms/incorporated.htm>.

907 KAR 1:626

REVIEWED:

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Date

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Lisa Lee, Commissioner  
Department for Medicaid Services

APPROVED:

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Date

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Audrey Tayse Haynes, Secretary  
Cabinet for Health and Family Services

## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall, if requested, be held on July 21, 2015 at 9:00 a.m. in Suite B of the Health Services Auditorium, Health Services Building, First Floor, 275 East Main Street, Frankfort, Kentucky, 40621. Individuals interested in attending this hearing shall notify this agency in writing by July 14, 2015 five (5) workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. The hearing is open to the public. Any person who attends will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to attend the public hearing, you may submit written comments on the proposed administrative regulation. You may submit written comments regarding this proposed administrative regulation until July 31, 2015. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to:

CONTACT PERSON: Tricia Orme, [tricia.orme@ky.gov](mailto:tricia.orme@ky.gov), Office of Legal Services, 275 East Main Street 5 W-B, Frankfort, KY 40601, Phone: (502) 564-7905, Fax: (502) 564-7573.

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation Number: 907 KAR 1:626  
Cabinet for Health and Family Services  
Department for Medicaid Services  
Agency Contact: Stuart Owen (502) 564-4321

- (1) Provide a brief summary of:
  - (a) What this administrative regulation does: This administrative regulation establishes the reimbursement policies and requirements for covered dental services provided to a Medicaid recipient who is not enrolled with a managed care organization and optional policies for covered dental services provided to a Medicaid recipient who is enrolled with a managed care organization.
  - (b) The necessity of this administrative regulation: This administrative regulation is necessary to establish the reimbursement policies and requirements for covered dental services provided to a Medicaid recipient who is not enrolled with a managed care organization and optional policies for covered dental services provided to a Medicaid recipient who is enrolled with a managed care organization.
  - (c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation conforms to the content of the authorizing statutes by establishing the reimbursement policies and requirements for covered dental services provided to a Medicaid recipient who is not enrolled with a managed care organization and optional policies for covered dental services provided to a Medicaid recipient who is enrolled with a managed care organization.
  - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will assist in the effective administration of the authorizing statutes by establishing the reimbursement policies and requirements for covered dental services provided to a Medicaid recipient who is not enrolled with a managed care organization and optional policies for covered dental services provided to a Medicaid recipient who is enrolled with a managed care organization.
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
  - (a) How the amendment will change this existing administrative regulation: Amendments include establishing the DMS Dental Fee Schedule as a basis for reimbursement rather than listing the rates in the body of this administrative regulation; increasing reimbursement rates (again - stated on the new fee schedule) for diagnostic and preventive services by twenty-five (25) percent); and clarifying that a managed care organization is not required to reimburse for dental services provided to Medicaid recipients enrolled with the given managed care organization in accordance with this administrative regulation. Additional amendments include clarifying existing provisions or inserting provisions

- previously contained in a manual into this administrative regulation.
- (b) The necessity of the amendment to this administrative regulation: The amendments are necessary to adopt a user friendly fee schedule as a reference for covered current dental terminology (CDT) codes and rates as opposed to the current lengthy table of services listed in the regulation and to increase reimbursement for preventive and diagnostic procedures in order to enhance provider participation and recipient access to these procedures.. Additional amendments are necessary to clarify provisions or insert provisions previously stated elsewhere.
  - (c) How the amendment conforms to the content of the authorizing statutes: The amendments conform to the content of the authorizing statutes by adopting a user friendly fee schedule as a reference for covered current dental terminology (CDT) codes; by increasing reimbursement to enhance provider participation and recipient access to preventive and diagnostic procedures; and by clarifying provisions.
  - (d) How the amendment will assist in the effective administration of the statutes: The amendments will assist in the effective administration of the authorizing statutes by adopting a user friendly fee schedule as a reference for covered current dental terminology (CDT) codes; by increasing reimbursement to enhance provider participation and recipient access to preventive and diagnostic procedures; and by clarifying provisions.
- (3) List the type and number of individuals, businesses, organizations, or state and local government affected by this administrative regulation: Medicaid-participating dental service providers will be affected by the amendments. There are 1,078 individual dentists, 158 group dental practices, sixty-nine (69) individual physicians who perform oral surgery, and nine (9) group physician practices that perform oral surgery enrolled in Kentucky's Medicaid program.
- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
- (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment. In order to be reimbursed for dental services providers will need to bill using the correct current dental terminology (CDT) code listed on the fee schedule.
  - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3). The amendment imposes no cost on the regulated entities.
  - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3). Dental providers will be able to be reimbursed for dental services as a result of compliance and will receive increased reimbursement - by twenty-five (25) percent – for preventive and diagnostic procedures.
- (5) Provide an estimate of how much it will cost to implement this administrative regulation:

- (a) Initially: The Department for Medicaid Services (DMS) anticipates an additional cost of as much as \$280,000 annually (\$84,000 state funds/\$196,000 federal funds) annually as a result of the amendment.
  - (b) On a continuing basis: DMS anticipates an additional cost of as much as \$280,000 annually (\$84,000 state funds/\$196,000 federal funds) annually as a result of the amendment.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The sources of revenue to be used for implementation and enforcement of this administrative regulation are federal funds authorized under the Social Security Act, Title XIX and matching funds of general fund appropriations.
  - (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment. Neither an increase in fees nor funding is necessary to implement the amendment to this administrative regulation.
  - (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation neither establishes nor increases any fees.
  - (9) Tiering: Is tiering applied? (Explain why tiering was or was not used.) Tiering is not applied as the policies apply equally to the regulated entities.

## FEDERAL MANDATE ANALYSIS COMPARISON

Regulation Number: 907 KAR 1:626

Agency Contact: Stuart Owen (502) 564-4321

1. Federal statute or regulation constituting the federal mandate. 42 U.S.C. 1396a(a)(30) and 42 C.F.R. 447.204.
2. State compliance standards. KRS 194A.050(1) states, "The secretary shall promulgate, administer, and enforce those administrative regulations necessary to implement programs mandated by federal law, or to qualify for the receipt of federal funds and necessary to cooperate with other state and federal agencies for the proper administration of the cabinet and its programs."

KRS 205.520(3) states: "... it is the policy of the Commonwealth to take advantage of all federal funds that may be available for medical assistance. To qualify for federal funds the secretary for health and family services may by regulation comply with any requirement that may be imposed or opportunity that may be presented by federal law. Nothing in KRS 205.510 to 205.630 is intended to limit the secretary's power in this respect."

3. Minimum or uniform standards contained in the federal mandate. 42 U.S.C. 1396a(a)(30)(A) requires a state Medicaid program to "provide such methods and procedures relating to the utilization of, and the payment for, care and services available under the plan (including but not limited to utilization review plans as provided for in section 1903(i)(4)) as may be necessary to safeguard against unnecessary utilization of such care and services and to assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area."

42 C.F.R. 447.204 requires Medicaid programs' reimbursement to be "sufficient to enlist enough providers so that services under the plan are available to beneficiaries at least to the extent that those services are available to the general population."

4. Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate? The administrative regulation does not impose stricter than federal requirements.
5. Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements. The administrative regulation does not impose stricter than federal requirements.

## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation Number: 907 KAR 1:626

Agency Contact: Stuart Owen (502) 564-4321

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Department for Medicaid Services will be affected by the amendment to this administrative regulation.
2. Identify each state or federal regulation that requires or authorizes the action taken by the administrative regulation. This administrative regulation authorizes the action taken by this administrative regulation.
3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.
  - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? The amendment is not expected to generate revenue for state or local government.
  - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? The amendment is not expected to generate revenue for state or local government.
  - (c) How much will it cost to administer this program for the first year? The Department for Medicaid Services (DMS) anticipates an additional cost of as much as \$280,000 annually (\$84,000 state funds/\$196,000 federal funds) annually as a result of the amendment.
  - (d) How much will it cost to administer this program for subsequent years? DMS anticipates an additional cost of as much as \$280,000 annually (\$84,000 state funds/\$196,000 federal funds) annually as a result of the amendment.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):

Expenditures (+/-):

Other Explanation:

COMMONWEALTH OF KENTUCKY  
CABINET FOR HEALTH AND FAMILY SERVICES  
DEPARTMENT FOR MEDICAID SERVICES

907 KAR 1:626

Summary of Material Incorporated by Reference

The “DMS Dental Fee Schedule”, June 2015 is new material that is being incorporated by reference into the regulation. The fee schedule is a five (5)-page document which lists the current dental terminology (CDT) codes covered by Kentucky’s Medicaid program along with corresponding reimbursement amounts as well as reimbursement and the reimbursement process regarding covered orthodontics.